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**TWO EXECUTIVES OF AIRCRAFT LEASING COMPANIES INDICTED IN
ALLEGED COMMERCIAL BRIBERY SCHEME; ONE FACING TAX CHARGES**

CHICAGO — The owner of an aircraft leasing company was ordered released from federal custody this evening after he was arrested yesterday for allegedly engaging in a commercial bribery scheme with an executive of another commercial airplane sale and leasing company. **Brian Hollnagel**, owner, president and chief executive officer of the BCI Aircraft Leasing, Inc., formerly of Naperville and later Chicago, was charged in a federal grand jury indictment that was returned on March 10 and unsealed yesterday following his arrest, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service, Criminal Investigation Division in Chicago; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

Hollnagel, 36, of Chicago, pleaded not guilty yesterday to one count of wire fraud, but he remained in custody pending the setting of bond conditions late today. He was ordered released on a \$1.7 million secured bond, with home confinement and electronic monitoring, by U.S. District Judge Amy St. Eve.

Also indicted, but not arrested, was **Brian Olds**, 67, of Kildeer, former vice president of the Aircraft Group of AAR Corp., of Wood Dale, who was also involved in the sale and leasing of commercial aircraft. He was charged with wire fraud, two counts of tax evasion and filing a false federal income tax return and will be arraigned at a later date in U.S. District Court.

The indictment seeks forfeiture of at least \$400,000 representing alleged bribe payments from Hollnagel to Olds, as well as unspecified proceeds from the sale or purchase of airplanes by BCI as a result of the alleged bribe payments.

According to the indictment, in 2004 and early 2005, Hollnagel and Olds agreed that in exchange for a bribe payment of approximately \$250,000, Olds would use his position at AAR to ensure its purchase from BCI of two commercial aircraft, which were then under lease to US Airways. In negotiating for AAR's purchase of the two planes from BCI, Olds allegedly provided Hollnagel and BCI with confidential information regarding the price that AAR was willing to pay and negotiated knowing that he was not trying to obtain the lowest price possible for AAR. Olds also allegedly provided Hollnagel and BCI with AAR's confidential financial analysis of its proposed purchase of the two planes. As a result, Hollnagel and BCI were able to sell the two planes to AAR for \$15.4 million. Olds undisclosed corrupt assistance enabled Hollnagel and BCI to earn a profit of nearly \$4 million above what they had paid for the planes, one of which BCI had purchased about four months before the sale and the other about two weeks before the sale, the indictment alleges.

In late 2004, Hollnagel and Olds further agreed that in exchange for a bribe payment of approximately \$180,000, Olds would use his position to ensure that AAR would sell to BCI three commercial planes that AAR had leased to Continental Airlines. Again, Olds allegedly concealed from AAR his corrupt relationship with Hollnagel and BCI.

The tax counts allege that in 2004 and 2005 Olds evaded his tax obligations by concealing the fraudulent income he received from BCI, and that he filed a false federal income tax return for 2005 that under-reported the total income he earned from a company he used to receive the BCI payments, as well as overstated the business's deductions.

The government is being represented by Assistant U.S. Attorneys Scott Drury and Kenneth Yeadon.

Wire fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, or a fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. Tax evasion carries a maximum penalty of five years in prison and filing a false federal income tax return carries a maximum penalty of three years in prison and a \$250,000 fine on each count. In addition, a defendant convicted of tax offenses faces mandatory costs of prosecution and remains liable for any taxes owed, as well as a civil fraud penalty up to 75 percent of any underpayment plus interest. If convicted, the Court would impose a sentence it deems reasonable under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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